



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON D.C. 20540

B-221498.6

February 7, 1986

The Honorable Ron de Lugo
House of Representatives

DO NOT MAKE AVAILABLE TO PUBLIC READING
FOR 30 DAYS

Dear Mr. de Lugo:

Thank you for your letter of January 17, 1986, concerning the applicability of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) to Internal Revenue Service collections for Guam and the Virgin Islands. You expressed concern that the January 15, 1986 report by the Directors of the Office of Management and Budget and the Congressional Budget Office subjected such funds to sequestration under the Act, but that funds similarly collected for Puerto Rico were exempt.

As indicated by our own report under Public Law 99-177, we agree with your assessment that there is no basis for disparate treatment of these two accounts. In both cases, we could find no authority under the Act to exempt the accounts from sequestration. In each case, the payment of IRS collections is provided under permanent indefinite appropriations. Such appropriations are sequesterable budgetary resources under section 251(a)(3)(F)(iv)(I) of the Act. Consequently, because there is no specific basis for exemption in the Act, both accounts are subject to reduction.

We appreciate having your views on the matter.

Sincerely yours,

Shelton J. Dorgan
for Comptroller General
of the United States